

218049



THUNDER BAY PORT AUTHORITY  
ADMINISTRATION PORTUAIRE DE THUNDER BAY

February 4, 2003

Secretary Norman Mineta  
United States Department of Transportation  
c/o Docket Management Facility  
USCG 2002 11288  
U.S. Department of Transportation  
Room PL 401 - 400 Seventh Street S.W.  
Washington, D.C. 20590-0001

03 FEB -4 AM 10:50

DEPT OF TRANSPORTATION

Via Fax: (202) 493-2251

Dear Secretary Mineta:

Re: Proposed Rule Making Rates for Pilotage  
on the Great Lakes - Docket (USCG 2002 - 11288) -14

The Thunder Bay Port Authority is a body corporate created pursuant to the Canada Marine Act and is charged with the administration of the Port of Thunder Bay. The Port of Thunder Bay is a key component of Canada's grain export system and the ability of ocean bulk carriers to serve this Port on an economical and efficient basis is critical. Negative influences on this Port also adversely affect other Great Lakes ports and both the Seaway Development and the Seaway Management Corporations.

Pilotage services on the Great Lakes are delivered by monopolies legislated by the federal governments of both Canada and the United States. In recent years, this Authority has received an increasing number of complaints from both shippers and ship owners suggesting that current pilotage costs are excessive. Present pilotage fees have been cited as the cause of reduced Seaway business and some vessel owners have identified the high costs of the present pilotage fees as the basis for keeping their vessels out of the St. Lawrence Seaway System.

This Authority has recently been advised that the United States Coast Guard's Director of Great Lakes Pilotage has published a Notice of Proposed Rule Making in the Federal Register that will increase pilotage rates on the American waters of Lake Superior by 28%. This Authority's position is that current pilotage fees are already excessive and the proposed increases will have a devastating effect on shippers, shipowners and many of the partners in the St. Lawrence Seaway System. This position is not unique although it has been ignored by the Coast Guard's Director of Great Lakes Pilotage who has reached his present position without proper consultation.

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From: Patrick G. Doherty

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This Authority further submits that the proposed fees are totally unreasonable and completely out of touch with reality. This Authority's understanding is that the Boundary Waters Treaty of 1909 stipulates that American and Canadian boundary waters are to be treated with fairness and equity. The proposed inordinate fee increases clearly violate the spirit of this Treaty.

In addition to violating a bi-national Treaty between Canada and the United States, the proposed fee increases also run counter to the Seaway's compelling need to become a more economical and efficient waterway. I would point out that this Port has contributed to this end by not raising its Port tariffs since 1988 and by actually reducing same by 10% in 2000. Instead of embracing potential savings offered by new technologies such as electronic charting and A.I.S. (and thus reducing pilotage requirements and vessel transit costs), the Director of Great Lakes Pilotage recently defended the proposed increases as being unavoidable and supported in part by legal costs incurred by the Pilotage Authorities in suing the United States Coast Guard. These defenses appear inexplicable.

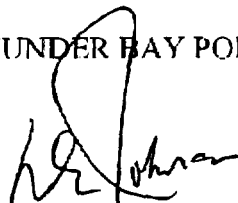
This Authority implores you to immediately halt the regulatory process now underway and indefinitely postpone the proposed rate increases. This Authority further requests that you keep this year's pilotage rates at their 2002 levels pending a full regulatory evaluation of the effects of the fee increases proposed by the USCG's Director of Great Lakes Pilotage. This will obviously require a deferment of the publication of any interim or final rulings. It would also appear that the public commentary period for the subject rule making should be extended.

The extreme negative significance of the fee increases proposed by the USCG's Director of Great Lake Pilotage cannot be understated. Please intervene in this process and protect the St. Lawrence Seaway System as a meaningful commercial artery for world shipping.

This Authority reserves the right to make further submissions as deemed warranted.

Yours very truly

THUNDER BAY PORT AUTHORITY



for

Patrick G. Doherty  
Chair

PGD:cb